

#### ABSTRACT OF THE DISCLOSURE

A transfer case having an input shaft driven by a powertrain, a first output shaft adapted for connection to a first driveline, a second output shaft adapted for connection to a second driveline, an interaxle differential operably disposed between the input shaft and the first and second output shafts, and a torque transfer mechanism. The torque transfer mechanism includes a friction clutch assembly operably disposed between the first output shaft and the second output shaft, and a clutch actuator assembly for generating and applying a clutch engagement force to the friction clutch assembly. The clutch actuator assembly includes an electric motor, a geared reduction unit, and a clutch apply operator. A control system including vehicle sensors and a controller are provided to control actuation of the electric motor.